



Mayor Acquanetta Warren

October 5, 2011

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, CA 94236

Attn: Craig Cross

Subject: Proposition 1E Integrated Regional Water Management Grant Program
Stormwater Flood Management Grant, Round 1, 2010-2011
City of Fontana Vulcan Pit Flood Control and Aquifer Recharge Project

Dear Mr. Cross,

As you know, the City of Fontana (City) submitted an application of the subject program and project and received 40 points. The cutoff for funding purposes is 41 points resulting in the City being just one point away from funding. Upon review of the proposal evaluation provided by DWR, the City requests that DWR consider the following clarifications:

1. Work Plan

The City was granted 9 of 15 points and request that our score be increased by 1 point with a weighing factor of 3 for a total of 3 points because:

DWR Comment: "The Proposal includes goals and objectives, and states that the project is consistent with the adopted IRWM Plan, but does not discuss how it is consistent with the Plan."

City Response: The City's project is consistent with the IRWM Plan. The goals and objectives of the project are presented throughout the application including Attachments 1, 3, 6, 7, 8, 9, 11, and 13. A copy of the IRWM Plan was attached to the City's application. IRWM Plan goals and objectives are presented in Chapter 6, Table 6-3.

Again, as presented in the application, the project is consistent with regional goals and objectives presented in the Table 6-3 including providing reliable water supplies, promoting sustainable water solutions, using rainfall as a

resource, preserving and enhancing the environment, ensuring high quality water, providing economically effective solutions and improving regional integration & coordination.

In addition, regional water agencies are supporting the City's application including Santa Ana Watershed Project Authority (SAWPA), Inland Empire Utilities Agency, San Bernardino County Flood Control, and Chino Basin Watermaster.

DWR Comment: "A tabulated overview of the project components is included; however, it conflicts with the BMS application abstract. The Work Plan states the basin capacity is 1740 acre feet, where as the BMS proposal states that the Project will recharge 2800 acre feet of storm water and an identical amount of recycled water for total recharge of 5600 AF during an average rainfall year."

City Response: The BMS application amounts presented is amended to the amounts presented in the Work Plan and Economic Analyses. The basin will have a capacity of approximately 1740 acre-feet. To achieve the recharge amounts presented in the application, the project will capture and convey a series of storm runoff volumes. These volumes will percolate into the groundwater aquifer restoring storage volume for subsequent events. These amounts will be matched with recycled water at appropriate periods to achieve the estimated recharge amounts.

DWR Comment: "The Proposal includes a map (Attachment 3.2) showing the relative project location, although the FEMA (Attachment 3.1) maps do not show the relation to the proposed Project site."

City Response: Application Attachment 7.1 shows both the FEMA Special Flood Hazard Areas and the project location.

DWR Comment: "Scientific or technical information that supports the feasibility of the Project is not discussed."

City Response: Technical information submitted with the application included site topography, basin design, runoff calculations, and preliminary designs. The project provides for flood control volumes greater than what is required for a 100-year storm event capture and retention. In addition, the Fontana community lies over an alluvial fan that is documented by the application and application attached regional reports. Use of the recharge facilities within alluvial fans will result in effective recharge.

2. Budget

The City was granted 3 of 5 points and request that our score be increased by 1 point because:

DWR Comment: "Summary and detailed Budgets are provided in Attachment 4, although the grant amount requested and total project cost does not agree with the information submitted in the BMS application (\$7.469M vs. \$9.95M and \$19.5M vs. \$19.9M, respectively)." And "It appears that the calculation for the 38% funding match claimed is only considering other state funds being used, which are not eligible. The non-state funding match share is 23% of the total project cost."

City Response: To clarify the Application Table 6, Project Budget, an error was presented. A corrected table is enclosed. All costs presented in Table 6 and Attachment 4.1 are reasonable costs and are based on recently completed projects managed by members of our project team.

3. Schedule

The City was granted 3 of 5 points and request that our score be increased by 2 points because:

DWR Comment: "The Environmental Documentation task is given four months to complete, beginning May 27, 2011. This may be unrealistic if the initial study has not been completed yet, and it is determined that an environmental impact report (EIR) is required. Any delay in completing the environmental documentation may delay the start of the construction beyond six months from the anticipated award date."

City Response: The City has completed an initial study that concluded that a Mitigated Negative Declaration environmental compliance processing is required for the project. Therefore, the project is consistent and reasonable and will be ready to begin implementation within six months of award date.

4. Monitoring, Assessment, and Performance Measures

The City was granted 1 of 5 points and request that our score be increased by 2 points because:

DWR Comment: "The Project Performance Measures Table described in the PSP is not included. There are no output or outcome indicators presented. The project performance table simply measures stormwater and recycled water flows for a year. It does not present goals, outcomes, indicators or targets

except for target goal of water to be recharged. There is not enough detail presented to determine if the project targets are feasible."

City Response: Project performance is primarily determined by water captured and recharged. The performance table presented in the application will document project primary performance. Understanding that our submittal does not fully address all required performance measures, the City requests, however, that more points be awarded because our application is, as presented in the PSP, "less than fully addressed and documentation and rationales are incomplete and insufficient." Therefore, 3 points should be awarded based on the referenced definition.

5. Economic Analysis – Water Quality and Other Expected Benefits

The City was granted 2 points with a weighting factor of 3 for a total of 6 points and requests that our score be increased by 1 point (3 with weighting factor) for a total of 9 points because:

DWR Comment: "Average levels of Water Quality and Other benefits can be realized through this proposal; however, the quality of the analysis is partially lacking and/or supporting documentation is partially unsubstantiated. Water quality benefits are described as blending benefits to reduce concentrations in existing groundwater, but "per acre-feet" avoided treatment cost is not explained."

City Response: Water supplies in areas of the Chino Basin have contaminant levels greater than the maximum allowable levels presented in the Department of Public Health's Title 22 requirements. The Project will deliver water to the groundwater aquifer of higher quality. These amounts will be blended with existing water stored in the aquifer. Title 22 requirements may be met through the process of blending. Local water producers use blending to avoid costly water treatment. As present in Application Table 19, the cost to treat water produced is \$120 per AF. As further indicated in the application, recharge of higher quality water will avoid these expenses for the amounts recharged and will dilute existing groundwater contaminants providing greater benefit beyond the amounts presented.

6. Program Preference

The City was granted 3 points with a weight factor of 2 for a total of 6 points and request that our score be increased by 1 point, weighted by a factor of 2, for a total of 8 points because:

DWR Comment: "The Proposal includes a project that implements the following Program Preferences: Include regional projects or programs,

Effectively Integrate Water Management Programs and Projects, Effectively Resolve Significant Water-related Conflicts within or between Regions, and Drought Preparedness. However, the Proposal demonstrates a limited degree of certainty that the Program Preferences claimed can be achieved, and lacks thorough documentation for the breadth and magnitude of the Program Preferences to be implemented.”

City Response: As presented above, DWR appears to have an overall uncertainty of the City’s ability to complete the project (project performance). In particular, as presented above in the Project Work Plan section, the City’s project will meet the goals and objective presented in the application. Based on the response presented above, project performance should no longer be of concern.

Furthermore, this project is considered regional in nature. It will benefit all water producers in the Chino Basin. In particular, Fontana Water Company and Jurupa Community Services District are current facing challenges with depth to groundwater increases driving up costs and forces certain facilities out of service. The project will assist in addressing these conditions. Also, this new conservation will reduce replenishment assessments leveed to the residents of the City and will utilize recycled water currently lost to the Santa Ana River.

In summary, the City requests that our score be amended from 40 points to 53 points and reconsider the City’s Application for funding. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Acquanetta Warren', with a stylized flourish at the end.

Acquanetta Warren, Mayor
City of Fontana

Attachment: Revised Table 6

cc. Ken Hunt, City Manager
Debbie Brazil, Deputy City Manager
Chuck Hays, Public Works Director
Michael Thornton, TKE Engineering, Inc.

**Attachment 4
Budget**

Table 6 - Project Budget

Proposal: Vulcan Pit Flood Control and Aquifer Recharge

Budget Category^{2.)}		(a)	(b)	(c)	(d)	(e)
		Non-State Share^{1.)} (Funding Match)	Requested Grant Funding	Other State Funds Being Used	Total	% Funding Match
(a)	Direct Project Administration Costs	\$ 84,000	\$ 150,000	\$ -	\$ 234,000	36%
(b)	Land Purchase/Easement	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000	100%
(c)	Planning/Design/Engineering/ Environmental Documentation	\$ 364,000	\$ 675,000	\$ -	\$ 1,039,000	35%
(d)	Construction/Implementation	\$ 3,991,000	\$ 7,496,000	\$ -	\$ 11,487,000	35%
(e)	Environmental Compliance/ Mitigation/Enhancement	\$ 84,000	\$ 150,000	\$ -	\$ 234,000	36%
(f)	Construction Administration	\$ 284,000	\$ 525,000	\$ -	\$ 809,000	35%
(g)	Other Costs	\$ -	\$ -	\$ -	\$ -	0%
(h)	Construction/Implementation Contingency	\$ 440,000	\$ 750,000	\$ -	\$ 1,190,000	37%
(i)	Grand Total (Sum row (a) thru (h) for each column)	\$ 9,750,000	\$ 9,750,000	\$ -	\$ 19,500,000	50%

Notes:

1.) Local Funds

2.) Based on historic City projects.

(a) Estimated at 2% of Total Construction Cost

(b) Based on Vulcan Property Value Calculation, October 2005, see Attachment 4.2

(c) Estimated at 9% of Total Construction Cost

(d) See Attachment 4.1 for detailed Construction Costs

(e) Estimated at 2% of Total Construction Cost

(f) Estimated at 7% of Total Construction Cost

(g) Not Applicable

(h) Estimated at 10% of Total Construction Cost

(i) Sum row (a) thru (h) for each column